…Billionaire Leon Black denies he was blackmailed by Jeffrey Epstein after report of $50M in transfers

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Bloomberg News, National Post Staff
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Leon Black, chairman and chief executive officer of Apollo Global Management LLC, speaks during the Milken Institute Global Conference in Beverly Hills, California, U.S., on Tuesday, May 1, 2018. PHOTO BY PATRICK T. FALLON/BLOOMBERG

Billionaire private equity executive Leon Black has denied he was blackmailed by dead pedophile Jeffrey Epstein, insisting that transfers his firm made to the financier were legitimate business transactions.

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“Let me be clear, there has never been an allegation by anyone that I engaged in any wrongdoing, because I did not,” Black said on an earnings call for his firm Apollo Global Management Inc., the New York Times reported. “Any suggestion of blackmail, or any other connection to Epstein’s reprehensible conduct, is categorically untrue.”

Black, 69, said he regretted doing business with Epstein, even though other prominent people had done the same.

“Like many people I respected, I decided to give Epstein a second chance,” Black said on the call Thursday to discuss Apollo’s third-quarter results. “This was a terrible mistake.”

Black said he paid Epstein millions of dollars annually for his work from 2012 through 2017 and that there’s “substantial documentary support” for the services provided, including advice on estate planning, taxes, philanthropy and the structuring of art entities.

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Epstein, whom Black first met in 1996, worked with many prominent people after he was first released from jail after a 2008 conviction for soliciting prostitution from a teenage girl. Black said that "the distinguished reputations of these individuals gave me misplaced comfort." Epstein killed himself in a Manhattan jail last year, before he could be tried on new sex trafficking charges.

Black had admitted turning to Epstein for financial services after an Oct. 12 New York Times report about the pair's links. Black, though, had previously attempted to describe their relationship as "limited."

Jeffrey Epstein and his longtime associate Ghislaine Maxwell attend de Grisogono Sponsors The 2005 Wall Street Concert Series Benefitting Wall Street Rising. PHOTO BY JOE SCHILDHORN AND PATRICK MCMULLAN/GETTY IMAGES

But the Times' report, "The Billionaire Who Stood By Jeffrey Epstein," showed Apollo clients had pushed Black for more details on his Epstein ties. It described their relationship as being, "deeper than Mr. Black let on: The two men often socialized and dined together, and Mr. Black was a lucrative client for Mr. Epstein over the final decade of his life."

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The report said Black wired Epstein at least $50 million in the years after the latter's 2008 conviction.

Black and Apollo representatives have said Epstein never invested in the firm's funds, and Black said in a letter to Apollo's limited partners in the wake of the Times' report:

"With the benefit of hindsight — and knowing everything that has come to light about Mr. Epstein's despicable conduct more than 15 years ago — I deeply regret having had any involvement with him.

"None of the reporting in the New York Times article is inconsistent in any way with the information I shared with you over a year ago.

"Epstein provided professional services to entities affiliated with my family regarding estate planning, tax and philanthropic endeavors. I have never tried to conceal these facts."

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Black's spokesperson Stephanie Pillersdorf, meanwhile, had told the Times:

"Mr. Black received personal trusts and estates planning advice as well as family office philanthropy and investment services from several financial and legal advisers, including Mr. Epstein, during a six-year period, between 2012 and 2017. The trusts and estate planning advice was vetted by leading auditors and law firms."

She said their business relationship came to a halt in 2018 over a "fee dispute."

The article didn't accuse Black of breaking the law. But Apollo has faced mounting pressure over the affair.

Jeffrey Epstein appears in a photograph taken for the New York State Division of Criminal Justice Services' sex offender registry March 28, 2017. PHOTO BY FILE PHOTO

Fundraising slows

Apollo raised $4 billion in the third quarter and expects fundraising to slow, co-founder Joshua Harris said on the call Thursday.

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Last week, major consultants expressed reservations about giving new money to the asset manager and two public pensions said they were halting investments. That followed the New York Times report.

Apollo hired law firm Dechert LLP to conduct a review that's expected to take 60 to 90 days.

But investor concerns remain.

Doug Strand, a trustee of the Teachers' Retirement System of the State of Illinois, which approved an additional $75 million commitment to Apollo in August, asked during a meeting Thursday whether